

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2174 - HB 2434

February 22, 2018

SUMMARY OF BILL: Requires governing boards of state institutions of higher education to adopt policies addressing management of student debts or obligations owed directly to the state institutions.

Removes the requirement that state institutions withhold diplomas, certificates of credit, or grade reports if the student has an outstanding debt to the institution of more than \$25 that is less than 10 years old.

Requires a governing board in any year in which the board adopts or amends policies to report the adoption or amendment of such policies to the Chairs of the Finance, Ways and Means Committees of the General Assembly by December 31st.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Passage of this legislation could result in some debts to public institutions becoming uncollectible or collection being delayed. The extent and timing of such impacts cannot be determined because they are dependent on the specific circumstances of each outstanding debt.

Assumptions:

- Based on the information collectively provided by the Tennessee Board of Regents (TBR) and the Locally Governed Institutions (LGI), adopting policies under the provisions of the proposed legislation will be performed during the normal course of business and operations. .
- Any fiscal impact as a result of governing boards reporting the adoption of and amendments to policies to the Chairs of the Finance, Ways and Means Committees is estimated to be not significant.
- Removing the requirement that public institutions withhold diplomas, certificates of credit, or grade reports, if the student has an outstanding debt to the institution of more than \$25 and such debt is less than 10 years old, could result some debts becoming uncollectible or be delayed in collection. The extent and timing of such impacts cannot

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be determined because such impacts are dependent upon the specific circumstances relative to each outstanding debt.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp